



Child Care Workforce Study Report

South Dakota Department of Social Services (DSS)
Division of Economic Assistance

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Background on the South Dakota Child Care Workforce Study

Child care is essential to the well-being of children and families, and contributes to the success of businesses and the economy. The Department of Social Services commissioned this project to identify strategies to empower local communities to improve the recruitment and retention of the child care workforce in South Dakota. The study provides comprehensive data to empower South Dakota stakeholders to build a sustainable child care workforce that meets the needs of children and families, supports parents to enter and stay in the workforce, and contributes to South Dakota's strong economy.

Goals for the Child Care Workforce Study

- Better understand the challenges and opportunities facing the child care workforce.
- Obtain a comprehensive picture of the current South Dakota child care workforce that can guide ongoing improvements in the quantity, quality, and retention of the South Dakota workforce.
- Identify evidence-based and promising strategies that South Dakota businesses and communities could utilize to support, recruit, and retain child care employees.

South Dakota is home to more than 155,000 children from birth through age 12 (U.S. Census Bureau, 2022). Families in South Dakota choose from a variety of child care settings to meet their diverse needs. An estimated 6,000 child care professionals care for South Dakota children in registered and non-registered family child care homes and licensed child care centers and school-age programs every day. Child care also plays an important role in the state's economy, which is one of the strongest in the nation. South Dakota had higher economic growth than the US overall as of November 2023 (USA Facts, 2024) and the lowest unemployment rate in the nation, 2.0%, as of July 2024 (U.S. Bureau of Labor Statistics, 2024). Ensuring that South Dakota's workforce can access child care contributes to South Dakota's economic success.



Given the importance of child care across a range of stakeholders, it is important to understand more about the child care workforce and how to scale successful evidence-based strategies to support and strengthen this important asset to South Dakota. To accomplish these goals, the Department of Social Services contracted with ICF to conduct a comprehensive study of the child care workforce in South Dakota. The design and data collection for the study were integrated and aligned with related studies that ICF conducted of the child care market and the cost of operating different types of child care programs. The workforce study had multiple components, including a review of research on innovations in the field; a survey of an estimated 4,000 child care providers, of which 1,528 submitted a response; 13 individual and small group interviews; five focus groups with child care providers and related stakeholders.

Snapshot of the South Dakota Child Care Workforce

Characteristics of South Dakota's workforce are summarized in **Exhibit 1 through Exhibit 6**.

Exhibit 1. Child Care Provider Compensation

Position	Median Starting Wage	Median Maximum Wage
<i>Child Care Center Staff</i>		
Director*	\$33,446	\$50,003
Assistant Director	\$37,440	\$41,600
Lead Teacher	\$29,120	\$35,152
Assistant Teacher	\$24,960	\$31,200
Site Coordinator	\$33,280	\$39,520
Administrative Staff	\$32,240	\$41,600
<i>Out-of-School-Time Program Staff</i>		
Director*	\$39,000	\$56,430
Assistant Director	\$35,360	\$41,600
Lead Teacher	\$30,680	\$35,360
Assistant Teacher	\$24,960	\$29,120
Site Coordinator	\$33,280	\$37,440
Administrative Staff	\$36,400	\$39,520

*Starting salary based on 25th percentile of wages for directors and maximum based on 75th percentile of wages.



More than 6,000
Estimated Child Care
Workforce

Exhibit 2. Child Care Provider Race/Ethnicity

Race/Ethnicity Category	Center Director (n = 117)	Center Staff (n = 351)	State-Registered Family Day Care Provider (n = 152)	Non-State-Registered Family Day Care Provider (n = 24)
American Indian or Alaskan Native	3.4%	1.7%	0.7%	0.0%
Asian	0.9%	0.3%	0.0%	0.0%
Black	1.7%	0.9%	2.0%	0.0%
Hispanic	0.9%	2.3%	0.7%	0.0%
White	90.6%	92.3%	89.5%	95.7%
Multiple races/ethnicities	2.6%	2.3%	4.6%	4.3%
Other	0.0%	0.0%	0.7%	0.0%

Note: Percentages may exceed 100 because some providers reported multiple race/ethnicity categories.

Exhibit 3. Child Care Provider Age

Provider	Minimum	Maximum	Mean	Median
Center directors	22 years	74 years	45 years	45 years
Center staff	15 years	72 years	33 years	29 years
State-registered family day care providers	23 years	76 years	49 years	49 years
Non-state-registered family day care providers	29 years	57 years	45 years	47 years

Exhibit 4. Highest Level of Education Completed

Level of Education Completed	Center Director (n = 126)	Center Staff (n = 357)	State-Registered Family Day Care Provider (n = 152)	Non-State-Registered Family Day Care Provider (n = 24)
Less than high school/no GED	0.0%	9.8%	3.9%	0.0%
High school diploma/GED	13.5%	29.1%	25.0%	8.3%
Some college but no degree	18.3%	22.1%	32.2%	37.5%
A.A. or A.S. degree in early childhood education field	6.3%	9%	5.3%	4.2%
A.A. or A.S. degree outside of early childhood education field	6.3%	7.8%	13.8%	12.5%
B.A. or B.S. degree in early childhood education field	24.6%	10.1%	7.9%	25.0%
B.A. or B.S. degree outside of early childhood education field	16.7%	6.7%	7.9%	4.2%
Some graduate work but no degree	3.2%	1.1%	0.7%	4.2%
M.A. or M.S. degree	10.3%	3.4%	3.3%	4.2%
Ph.D. or Ed.D. degree	0.8%	0.8%	0.0%	0.0%

Exhibit 5. Credentials Completed

Credentials Completed	Center Director (n = 126)	Center Staff (n = 359)	State-Registered Family Day Care Provider (n = 152)	Non-State-Registered Family Day Care Provider (n = 24)
Child Development Association (CDA) credential	34.9%	18.1%	12.5%	8.3%
Currently working toward CDA credential	3.2%	8.6%	6.6%	8.3%
South Dakota Out of School Time (OST) credential	7.9%	3.1%	2.0%	0.0%
Currently working toward South Dakota OST credential	0.8%	3.4%	2.6%	0.0%
Other credential	4.0%	2.5%	3.3%	8.3%
Currently working toward other credential	1.6%	7.8%	3.3%	0.0%

Exhibit 6. Child Care Tenure

Time in Position or Program	Minimum	Maximum	Mean	Median
<i>Center Directors</i>				
Time in current position	3 months	47 years	10 years	7 years
Time as provider in any program or position	7 years	48 years	17 years	14 years
<i>Center Staff</i>				
Time in current position	1 month	35 years	5 years	2 years
Time as provider in any program or position	1 month	45 years	9 years	5 years
<i>State-Registered Family Day Care Providers</i>				
Time in current position	1 month	50 years	17 years	17 years
Time as provider in any program or position	1 year	50 years	20 years	20 years
<i>Non-State-Registered Family Day Care Providers</i>				
Time in current position	2 months	30 years	16 years	20 years
Time as provider in any program or position	2 months	35 years	20 years	22 years

Key Findings

The key findings from the study are summarized in **Exhibit 7**.

Exhibit 7. Summary of Key Findings

Category	Key Findings
Continuing to grow the supply of child care and the child care workforce will continue to support the continued success of the South Dakota economy.	<ul style="list-style-type: none"> • In November 2023, South Dakota had higher economic growth than the US overall and as of July 2024 had the lowest unemployment rate in the nation. • South Dakota has more than 155,000 children birth through age 12.
Child care provider compensation can contribute to challenges recruiting and retaining the childcare workforce.	<ul style="list-style-type: none"> • Providers reported difficulty in paying wages that attract a stable workforce while keeping prices affordable for families. • In general, wages for child care administrators are higher in South Dakota than the U.S., ranging from 4.5% to 20% higher over the past 10 years, and higher than in other sectors in South Dakota by about 2.7%. Other sectors where child care workers are employed include the education, health care, social assistance, personal care services, religious, civic, and social organization sectors. • About half of center directors (50.8%) and state registered family day care providers (53.0%) and a majority of non-state registered family day care providers (79.2%) were either somewhat or very satisfied with their pay. Just over one third of center staff were somewhat or very satisfied with their pay (36.2%) and benefits (36.0%). • Approximately 30% of center directors and 46% of center staff reported that compensation has led them to consider other jobs. • More than 83% of center directors were a little worried to very worried that teachers would leave due to low compensation.
Child care centers face staffing challenges.	<ul style="list-style-type: none"> • More than 52% of center directors reported hiring staff to be difficult. • Of center directors who expressed challenges in filling staff vacancies, 73% cited no or too few applicants, 65% cited that jobs were not taken due to pay, 56% cited that applicants were not qualified for posted positions, and 54% reported applicants did not attend scheduled interview. • Center directors reported multiple approaches to address staffing challenges, including 78% asking staff to work longer hours and 68% hiring staff with less experience and qualifications. • Center directors reported deploying strategies to retain the workforce including raising teacher wages (71.9%); offering staff appreciation gifts/events (69.5%); and giving bonuses (46.1%). • Approximately 58% of center directors have turned families away due to staffing challenges and 38% have reduced the number of classrooms.
Child care providers express high levels of job satisfaction.	<ul style="list-style-type: none"> • Across all provider groups, 77% to 100% reported that they really enjoyed their jobs and that working with children is satisfying, felt their work is important, and felt that they were making a significant difference in children's lives. • A significant majority of child care center staff and all family day care providers reported that they are very or moderately likely to remain in their child care positions three months (ranging from 90.1-92.2%) and one year from now (ranging from 83.4-85.6%). Approximately 64% to 75% of providers were either very likely or moderately likely to remain in their positions in three years.

Category	Key Findings
<p>Providers in all settings and roles reported an increase in issues related to the behavioral needs of children; however, providers also reported they have participated in professional development and can successfully manage behavioral problems.</p>	<ul style="list-style-type: none"> Center directors had roughly twice the length of experience as center staff in their current positions (mean = 9.9 years and 4.8 years) and in the field of child care in any program or position (mean = 16.5 years and 8.8 years). State registered and non-state registered family day care providers had, on average, the same length of experience as center-based providers in their current family day care programs (mean = 17.2 years and 16.3 year) and in the field of child care in any program or position (mean = 20.3 years and 19.7 years) A majority of all provider groups (58.6-92.0%) reported very few or no feelings of distress during the week prior to their completion of their surveys. Approximately 59% of center directors, 69% of state-registered family child care providers, 88% of non-state-registered family day care providers, and 46% of center staff did not feel that the number of children they cared for was too high. The majority of all providers felt that they could successfully manage children's behavior problems (79.9%-92.3%) and could support all children, including those facing the most challenges (72.6%-77.5%). However, 60% of center directors, 53% of center staff, and 30% to 44% of family child care providers reported that attending to children's needs was overwhelming. The vast majority of all providers reported participating in professional development around supporting children's challenging behaviors (75.2%-88.6%). The vast majority of all providers reported feeling somewhat or very equipped to handle children's behavioral challenges (75%-83%), and felt they could successfully manage behavioral problems (79.9%-92.3%).
<p>While the majority of providers in all settings participated in professional development, they reported a need for additional professional development.</p>	<ul style="list-style-type: none"> Providers reported engaging in several professional development activities. The largest percentages of all child care providers (75.2%-88.6%) reported participating in professional development to prevent and address children's challenging behaviors. A majority of center directors participated in professional development to learn about working with young children (88.6%) and developed or updated professional development plans (84.8%). Nearly three quarters of center staff (71.1%) and state registered family day care providers (74.5%) participated in trainings or workshops. A majority of non-state registered family day care providers (83.3%) developed or updated professional development plans and participated in professional development to support children's pre-academic skills. Family child care providers and other stakeholders reported the unique professional development needs for family child care providers due to limited time for attending training opportunities. A majority of center directors (78.9%) and 93.3% of all family day care providers felt equipped to handle child care business operations. Providers of all types reported needing additional professional development, and family day care providers noted the need for additional training to address children's challenging behaviors.

Strategies for Success

The study examined six community and business-led initiatives. **Exhibit 8** summarizes successful strategies that stakeholders in other communities could replicate to expand child care and support the child care workforce. Initiatives represented the full spectrum of planning through full implementation.

Exhibit 8. Strategies for Success

Organization	Initiative Description	Current Phase of Implementation	Indicators of Initiative Success
First Bank & Trust	Provides employer-sponsored child care	Fully implementing	<ul style="list-style-type: none"> • Employees have stayed in their positions so children can attend the center. • Some current employees attended the bank's child care program as children. • Stakeholders from the early childhood profession and the business community have referred individuals inquiring about starting a child care program to consult center staff. • Children in care reportedly perform well on age-specific developmental screenings.
Lake Area Improvement Corporation	Building a child care facility to provide greater child care availability	Planning	<ul style="list-style-type: none"> • Garnered strong community support. • Raised \$25,000 with first fundraiser and will host additional fundraising events.
Monument Health	Provides employer-sponsored child care	Fully implementing	<ul style="list-style-type: none"> • Typically carries a waitlist. • Employees enroll multiple children in the center.
Panther Cubs Academy	Developed partnerships and built a child care facility to address local needs	Newly implementing	<ul style="list-style-type: none"> • Has strong community support and buy-in. • Operates at full capacity and carries a wait list. • When surveyed, families voiced no concerns.
Pioneer Bank & Trust	Provides an annual \$5,000 stipend to each employee for child care needs for infants through school-age children	Fully implementing	<ul style="list-style-type: none"> • Approximately 23% of employees receive the child care stipend. • Employees report that benefit is financially meaningful. • Even employees who do not have a current need for the child care stipend support it.
Watertown Development Corporation	Developed a strategic plan to expand child care availability to address local needs	Planning	<ul style="list-style-type: none"> • Assessing community child care needs through surveys. • Educating the community, including businesses and other stakeholders, on the importance and impact of child care for the community.

Recommendations

South Dakota already has several initiatives that support the child care workforce throughout the state. As shown through the strategies for success, organizations that support child care providers, local businesses and local agencies are well positioned to address child care providers' needs in a timely and effective manner. Below are some suggestions for local stakeholders to address some key challenges facing the child care workforce.

- **Enhance collaboration with key stakeholders.** Case study participants noted that stakeholder buy-in and involvement were often key drivers in implementing their community child care initiatives in the early stages. This initial buy-in from stakeholders such as board members, community leaders, and other key local stakeholders was crucial in garnering the necessary support and resources required to support the initiatives.
- **Promote professional recognition and respect.** Many stakeholders reported that providers are not recognized as professionals who make valuable contributions to communities and local economies. To help address this, DSS is already developing a public media campaign focused on promoting the value of the child care profession. The media campaign will consist of a full range of advertising and marketing communication services to educate and inform stakeholders about the importance of the child care profession and its role in keeping children safe, healthy, and developing skills they need for future success.
- **Build on existing professional development and technical assistance.** Organizations offering training could expand opportunities to cover additional topics and expand communications about existing training opportunities on which providers noted wanting additional information. Family day care providers specifically noted that additional information about financially sustaining a professional family day care business, bookkeeping and record keeping, filing business taxes, staffing a child care business, and general business management would be helpful to them. DSS currently offers an online management series and leadership series and recently launched additional business training opportunities through the South Dakota Early Childhood Enrichment (ECE) system and the ECE resource hub.
- **Document and share child care initiative processes.** Clearly documenting steps taken during the planning phase and initiative implementation can serve as the basis for a 'tool kit' that can be shared with other communities across the state that are considering their own child care initiatives.
- **Help local communities to obtain funding for child care initiatives.** In addition to collaborating on fundraising with county, city, and local chambers of commerce; economic agencies; and the business community, local child care agencies can get assistance from larger organizations that specialize in obtaining funding for child care initiatives.



References

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